Ministry of the Economy

Annual Report for 2016-17

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Government of Saskatchewan

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Letters of Transmittal

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2017.

The Honourable Jeremy Harrison
Minister of the Economy

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

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I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2017.

The Honourable Dustin Duncan
Minister of Energy and Resources

Letters of Transmittal

The Honourable Jeremy Harrison
Minister of the Economy

The Honourable Dustin Duncan
Minister of Energy and Resources

Dear Ministers:

I have the honour of submitting the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2017. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our Ministry during the past year.

Laurie Pushor
Deputy Minister of the Economy

Introduction

This annual report for the Ministry of the Economy presents the Ministry's results for the fiscal year ending March 31, 2017. It provides results of publicly committed strategies, key actions and performance measures identified in the Ministry of the Economy Plan for 2016-17. It also reflects progress toward commitments from the *Government Direction for 2016-17: Keeping Saskatchewan Strong; the Saskatchewan Plan for Growth – Vision 2020 and Beyond;* throne speeches; and the Ministry.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The Ministry of the Economy's activities in 2016-17 align with government's vision and four goals:

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

- **Sustaining growth and opportunities for Saskatchewan people**
- **Meeting the challenges of growth**
- **Securing a better quality of life for all Saskatchewan people**
- **Delivering responsive and responsible government**

Together, all ministries, agencies and Crown corporations support the achievement of government's four goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

Mandate Statement

The Ministry of the Economy advances economic growth to generate wealth and opportunity in Saskatchewan. The Ministry attracts development within an effective regulatory framework; and supports a robust labour market by developing, attracting and retaining a skilled labour force.

Mission Statement

The Ministry of the Economy advances economic growth to generate wealth and opportunity in Saskatchewan.

The Ministry of the Economy was formed in 2012 to advance economic growth and generate wealth and opportunity in the province. The Ministry's responsibilities include labour market development and immigration, energy and resources, and economic development, including First Nations, Métis and Northern economic development.

The Ministry leads and co-ordinates government strategies to promote economic growth in Saskatchewan, working with other ministries, stakeholders and the general public to keep moving Saskatchewan forward. Delivering on the goals and objectives of the *Saskatchewan Plan for Growth* is central to the Ministry's mandate, with a focus on business and industry development. The ultimate goal of the Ministry's work is to create a better quality of life for the people of Saskatchewan.

Primary Lines of Business

The Ministry of the Economy comprises four primary lines of business: petroleum and natural gas; minerals, lands and resource policy; economic development; and labour market development. By bringing together the main functions associated with economic development, the Government of Saskatchewan can achieve better alignment and coordination between:

- The government's economic development policies and programs for the whole province;
- Resource sector development, which is driving much of the province's growth; and
- Labour market development, which is critical for ensuring that growth opportunities are realized.

The Ministry maintains relationships with a number of agencies important to the growth agenda, such as Innovation Saskatchewan, Tourism Saskatchewan, the Saskatchewan Trade and Export Partnership (STEP), the Saskatchewan Research Council (SRC), and the Saskatchewan Apprenticeship and Trade Certification Commission.

Ministry employees provide services and programs through its main offices in Regina and Saskatoon and through regional offices across the province.

Progress in 2016-17

Government Goals

Sustaining growth and opportunities for Saskatchewan people
Meeting the challenges of growth
Securing a better quality of life for all Saskatchewan people
Delivering responsive and responsible government

Ministry Goal

Advancing Saskatchewan's natural resource and agricultural strengths, particularly through innovation to build the next economy.

Strategy

Ensure royalties are responsive to price cycles and encourage ongoing exploration when prices are low, while maintaining a fair return to the province.

Key Actions and Results

- Maintain and monitor the province's royalties, taxes and regulations to ensure a competitive environment.
  - The Ministry introduced a new universal and market-based timber royalty regime, with input from industry and consultation with various government ministries. The changes will help ensure the ongoing competitiveness of Saskatchewan's forest industry, which contributes to a diversified economy and strong labour market. (Amendments to The Forest Resources Management Regulations were approved by Cabinet in May 2014, and the new royalty regime was implemented on July 1, 2014.)
  - Continued to monitor changes to oil and gas royalty regimes of direct competitors to ensure that Saskatchewan remains competitive.
  - Monitored the responsiveness of taxes, royalties and regulations through statistical analysis and direct communication with operating and prospective companies to ensure the competitiveness of the Saskatchewan mining industry.
- Continue consultations as part of the potash royalty and taxation review announced in the 2015-16 budget.
  - The review was postponed in June 2016; however, the Ministry will maintain its financial models to ensure that royalties and taxes remain current. It will continue to monitor the potash industry to determine an appropriate time to resume the review.
- Introduce regulations for a competitive diamond-specific royalty regime in anticipation of potential diamond development.
  - Regulations for a diamond royalty system were officially published on June 17, 2016, as part of The Crown Mineral Royalty Regulations.
- Participate in federal and provincial discussions regarding the reduction of greenhouse gas emissions.
  - Participated in federal, provincial and territorial meetings regarding the proposed federal regulation of methane emissions in the upstream oil and gas sector. The Ministry is working with the other western provinces to establish common definitions and standards regarding volumetric reporting in the upstream oil and gas sector.

Strategy

Update regulations and supporting processes.

Key Actions and Results

- Improve regulatory processes and standards.
  - The Ministry introduced Bill 43 to revise *The Pipelines Act, 1998*, to provide the authority to issue enhanced regulations and directives that will strengthen regulator oversight of pipelines in Saskatchewan.
  - An extra level of scrutiny was added to the review of pipeline licence applications where the pipeline either crosses or is located near a body of water.
  - Implemented Directive PNG017: Measurement Requirements for Oil and Gas Operations to provide more explicit requirements for industry, which will result in more accurate measurement and reporting.
- Develop a long-term sour gas management strategy.
  - Initiated a more robust data analytics framework to assist in risk-based analysis for sour gas management practice.
  - Provided additional staff training and purchased additional testing equipment to assist in complaint investigations and support data collection.
  - In conjunction with SRC, the Ministry field tested mobile, truck-mounted emissions detection equipment in the Glen Ewen-Oxbow area
- Establish a framework for modernizing pipeline regulation.
  - Introduced Bill 43 to revise *The Pipelines Act, 1998*, to provide the authority to issue enhanced regulations and directives that will strengthen regulator oversight of pipelines in Saskatchewan.
  - Initiated work on the multi-year Pipeline Regulation Enhancement Program (PREP) to strengthen Saskatchewan's approach to pipeline regulation.
  - Began work on enhancements to the Integrated Resource Information System (IRIS) to support the implementation of PREP.
- Undertake a review of rules regarding the suspension and abandonment of wells.
  - Participated in the multi-jurisdictional Well Integrity Subcommittee of the Western Regulators Forum (comprised of members from British Columbia (BC), Alberta, Saskatchewan and the National Energy Board). Meetings and a workshop were held over the year in order to identify risks and regulatory deficiencies with respect to oil and gas well integrity to better protect public safety and the environment. The analysis primarily centered on proper well suspension and abandonment to eliminate leakage.
  - Participated in meetings hosted by the Interstate Oil and Gas Compact Commission, an organization representing the governors of 30 member and eight associate U.S. states. The Commission works to ensure oil and natural gas resources are conserved and utilized to their maximum potential while protecting health, safety and the environment.
- Review the Licensee Liability Rating (LLR) formula to ensure that it accurately reflects current industry liabilities. The LLR is the licensee's ratio of assets to liabilities as determined or deemed under the provision of the program. The intent of the LLR Program is to assess and manage the financial risk that a licensee's well and facility abandonment and reclamation pose to the Saskatchewan Oil and Gas Orphan Fund. The LLR is a rating that is calculated on a monthly basis for all licences of oil/gas/service wells and upstream oil and gas facilities in the province.
  - Completed a review of the various factors used to calculate LLR to ensure that the formula was sensitive to the prolonged downturn in the oil and gas sector. The work was done to ensure that the evaluation of assets and liabilities was commensurate with current economic conditions and that the program did not create unjustified financial strain.
  - Completed a review of the Ministry licence transfer policy in light of the Redwater court decision to ensure that adequate security is collected during asset transfers. The Redwater court decision was an Alberta court decision that gave secured creditors priority over environmental cleanup of wells and facilities. The decision allows receivers to renounce uneconomic wells of insolvent companies thereby resulting in an increased number of orphaned wells and facilities.
- Strengthen the single window for the delivery of regulatory services to the oil and gas industry.
  - The Ministry worked collaboratively with the Ministry of Environment towards the development of a single-window incident reporting model to eliminate the need to report the occurrence of an incident to multiple ministries.
  - Worked collaboratively with the Ministries of Environment and Agriculture to improve the Well Licence Application work flow, converting it from a manual process to an automated process within IRIS in an effort to reduce the turn-around time for non-routine well licence applications.
- Continue to work with other regulators to harmonize regulatory standards.
  - Continued work with other regulators on the Western Regulators Forum to develop harmonized regulations and directives and actively participated on CSA committees for pipeline design, construction and operating, as well as well casing and cementing.

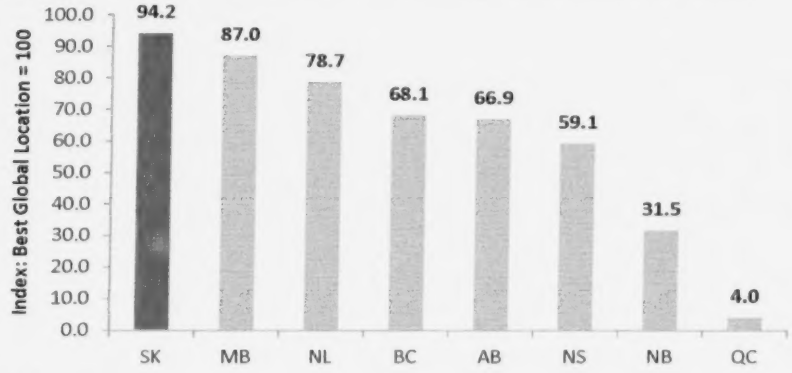
- The Ministry participated with the Petrinex Integrated Pipeline Information Management Council in developing a standard pipeline data model and incident reporting, and with oil and gas regulators in Alberta and BC to refine and streamline Directive PNG017: Measurement Requirements for Oil and Gas Operations.

- Implement the Enhanced Production Audit Program to increase the accuracy of volumetric information related to oil and gas production.
  - Successfully implemented the Enhanced Production Audit Program (EPAP) resulting in 43 operators submitting trial declarations during the initial trial period, and 17 operators submitting their annual declarations upon program commencement in the first quarter of 2017.

Performance Measures

Maintain number one Canadian ranking in Fraser Institute Global Petroleum Survey policy perception index.

Ranking in 2016 Fraser Institute Global Petroleum Survey policy perception index

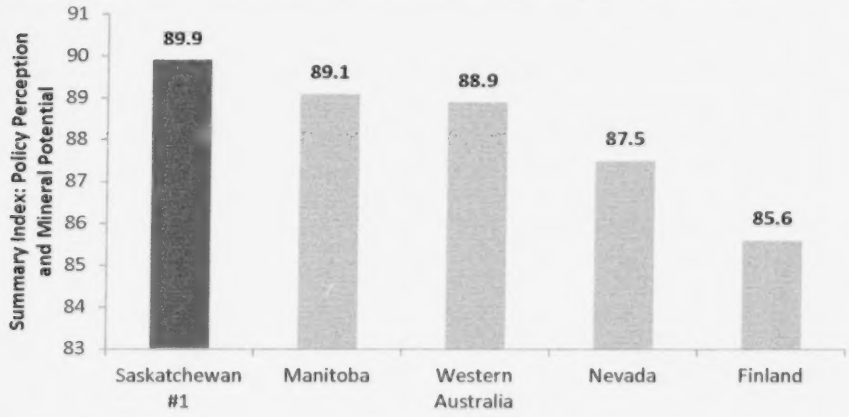


Source: Fraser Institute

In the 2016 edition of the Fraser Institutes's survey of the upstream petroleum industry, Saskatchewan ranked as the top jurisdiction in Canada and fourth best jurisdiction in the world for its oil and gas development policy environment. Petroleum executives viewed Saskatchewan very favourably for its fiscal terms (licences, lease payments, royalties, production taxes), cost of regulatory compliance, and clear environmental regulations.

Maintain number two global ranking in Fraser Institute Survey of Mining Companies investment attractiveness index.

Ranking in 2016 Fraser Institute Survey of Mining Companies investment attractiveness index



Source: Fraser Institute

In the 2016 Survey of Mining Companies, Saskatchewan ranked as the best location in the world for mining investment, based on a combination of its policy environment and mineral potential. Competitive tax regimes, efficient permitting procedures and certainty surrounding environmental regulations and land-claims were key elements in Saskatchewan's strong performance.

Strategy

Increase natural resource production.

Key Actions and Results

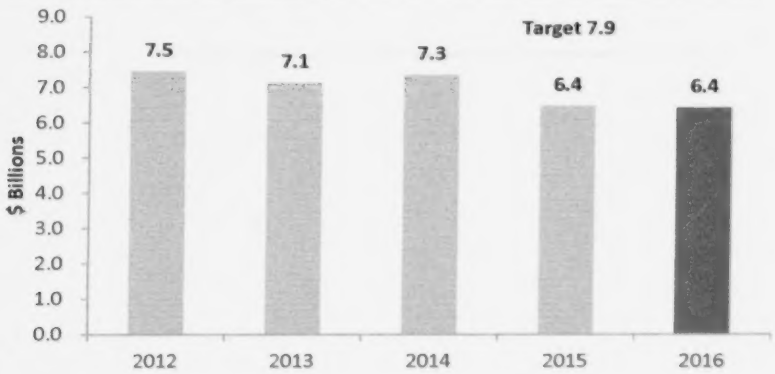
- Increase mineral production.
  - Attract 15 per cent of national mineral exploration expenditures.
    - Data from Natural Resources Canada (NRCan) places Saskatchewan at 14.9 per cent of national mineral exploration expenditures in 2016. The Ministry continues to invest in geoscience activity to assist the exploration industry and is looking at options that would increase exploration spending in diamonds and base and precious metals.
  - Achieve a minimum of $2.5 billion in mining investment.
    - The preliminary numbers indicate total mining investment of $2.57 billion in 2016-17. The K+S Bethune potash mine is the first new potash mine built in Saskatchewan in 45 years. K+S Potash has spent roughly $4.1 billion on the construction of its solution potash mine. Although most of the significant expansions at Saskatchewan's current potash mines are now complete, there are several projects that remain under consideration.
  - Work towards advancing mining projects from the feasibility stage to the construction stage.
    - Companies developing mining projects in Saskatchewan undertake multiple steps prior to beginning construction. The Ministry aids companies in the completion of these steps by providing guidance in navigating Provincial approvals, securing social license, and coordinating access to essential infrastructure. In addition, the Ministry provides information on the Provincial mining royalty and taxation systems so companies can properly assess the economic viability of their projects. Several investment decisions could be made in 2017-18.
  - Enhance the provincial geoscience database to promote mineral exploration and development.
    - All of the Ministry's historical geoscience assessment files were scanned and made available on-line to allow clients to access this information remotely. As well, the Ministry released the new Mining and Petroleum GeoAtlas which improved access to Saskatchewan's geological data. The new GeoAtlas won an award from the Association of Professional Engineers and Geoscientists.

Performance Measures

Saskatchewan Value of Mineral Sales

Achieve a value of mineral sales of $7.9B in 2016.

Saskatchewan Value of Mineral Sales



Source: Ministry of the Economy

Saskatchewan mineral sales attained a value of $6.4 billion in 2016-17, below the target of $7.9 billion. Although the volume of minerals produced was strong, low prices for key mineral commodities meant that the realized value of sales fell short of ECON's target.

- Increase oil production: Achieve drilling activity of 1,400 wells.
  - 1,659 oil wells were drilled in Saskatchewan in 2016.
  - Increase initial established oil reserves by 2.5 per cent.
    - Oil reserves are increased by new discoveries and by application of new technologies that increase the amount of oil that can be recovered from a well. The Ministry undertakes a variety of activities to increase awareness of Saskatchewan's oil and gas potential and to improve permitting processes in order to encourage exploration. It also supports technological advances that increase oil recovery rates.
      - The Ministry has agreed to provide up to $1 million in financial support to producers for a two-year trial period for SRC's Post-CHOPS (cold heavy oil production with sand) Technology Pilot Test Centre. CHOPS increased recovery of heavy oil from three per cent to about seven per cent, compared to earlier technologies. If Post-CHOPS technology can increase recovery rates to 20 per cent, it would add about three billion barrels of oil to Saskatchewan's reserves.
      - Ministry support will be limited to field testing of Post-CHOPS technology, including well abandonment and well suspension technologies. Support for the Test Centre will be provided by means of royalty adjustment to other wells operated by the producer/well operator for a specified period of time to provide the producer/well operator with a financial incentive to allow one of its wells to be a test site.
      - The Ministry is currently evaluating eight applications under the Saskatchewan Petroleum Research Incentive amounting to over $60 million in investment by industry in the oil and gas sector.
  - Ensure a stable oil and gas royalty regime.
    - The Ministry's energy policy branch monitors the competitiveness of Saskatchewan's oil and gas royalty regimes. No changes to royalties were made in 2016-17.
  - Achieve $3.6 billion of oil investment.
    - Capital spending in Saskatchewan's oil industry is estimated at $4.6 billion for 2016.
  - Enhance the provincial geoscience database to promote oil exploration and development.
    - Developed the Mining and Petroleum GeoAtlas to improve access to Saskatchewan's geological data. The GeoAtlas combines geological data with topographical information, as well as land and mineral tenure information.
    - Developed specific functions in IRIS to collect and provide data from Saskatchewan's large database of drill cuttings and core -subsurface assets, as well as stratigraphic marker horizons.

Performance Measures

Saskatchewan Crude Oil Production

Produce 164.5 million barrels of crude oil in 2016.

Crude Oil Production

Source: Ministry of the Economy

Saskatchewan produced 168.2 million barrels of crude oil in 2016, which was a decline of 5.3% from the previous year and 10.6% below the record production level in 2014. The main factor in declining production has been the persistent low price of oil.

- Increase timber harvesting.
  - Work collaboratively with the forest industry and other ministries and agencies to ensure Saskatchewan's forestry sector remains globally competitive.
    - The Ministry co-chairs a committee with senior forest industry officials, mandated to identify strategic issues that will enhance industry competitiveness throughout the business cycle and establish performance measures to monitor sector competitiveness. The Ministries of Environment and Highways & Infrastructure are also committee members.
  - Increase forestry sector investment and export of forest products.
    - By 2020, more than $500 million in investments are planned in Saskatchewan's forest industry. In 2016, exports of Saskatchewan forest products totaled $552 million, representing a 27 per cent increase over 2015 and the highest level since 2005.
  - Ensure regulations foster a business climate conducive to successfully operating in a globally competitive environment.
    - The Ministry works collaboratively with the Ministry of Environment and industry on the development of results-based regulations that govern environmental and resource management performance of the forest industry while ensuring a globally competitive sector.
  - Engage with Northern and First Nations partners to enhance Northern and First Nations participation in Saskatchewan's forestry and other resource sectors.
    - Saskatchewan's forest industry has the highest rate of Indigenous engagement in the country. Two of the province's largest forest products manufacturers are 100 per cent First Nations owned, including Canada's largest 100 per cent First Nations owned sawmill. Thirty-one per cent of the timber is allocated to Indigenous businesses, and more than 30 per cent of the industry's workforce is Indigenous.
  - Develop a multi-year investment attraction plan with sub-sector and geographic targets.
    - Development of this plan is ongoing and expected to be completed in the 2017-18 fiscal year. Several potential investment projects have been identified, all of which are currently in the exploratory or early-planning stages.

Performance Measures

Saskatchewan Provincial Timber Harvest

Continue to exceed the year over year timber harvest levels, with target of 50% increase by 2020 (over the 2012-13 base year level of 2.82 million cubic metres).

Timber Harvest

Source: Ministry of Environment

Saskatchewan's timber harvest reached an estimated 3.8 million cubic feet in 2016-17 and is on track to meet the target of 4.2 million cubic feet by 2020. The forest sector has benefited from free trade since expiry of the Softwood Lumber Agreement in October 2015. Unfettered access, combined with recovery in the U.S. economy, gave a boost to lumber prices and increased exports into the U.S. in 2016-17.

Government Goal

Sustaining growth and opportunities for Saskatchewan people

Ministry Goal

Develop, attract and retain skilled workers.

Strategy

Increase the number of people working in Saskatchewan.

Key Actions and Results

- Align skills provision to needs of the economy.
  - Engage employers in reviewing and strengthening labour market programming.
    - Conducted 24 outreach sessions with employers to promote existing labour market supports and gather feedback.
    - Used surveys and consultations with various industry groups to help inform changes to programs and services.
  - Support planning and initiatives with the province's post-secondary institutions to improve labour market performance including phased implementation of apprenticeship harmonization and mobility initiatives.
    - Amendments to The Apprenticeship and Trade Certification Regulations, 2003, were approved in 2016-17. The amendments addressed the mobility of apprentices in Canada in support of the Pan-Canadian Apprenticeship Mobility Protocol and provided the Saskatchewan Apprenticeship and Trade Certification Commission with flexibility to extend non-indentured time for individuals employed in one of the compulsory trades.
    - Established a framework for the development of a provincial skills training plan aligned with labour market demand.
  - Work with the federal government to realign the Canada-Saskatchewan Job Grant (CSJG) and other federal investments to improve responsiveness to employer needs.
    - In fall 2016 the federal government introduced new changes to CSJG program. In response, ECON established a Citizen-Centered Services transformation team to navigate this change and provide supportive policy/program changes.
    - The transformation team for CSJG has completed Phase 1 of the program review which allowed the CSJG program to launch on April 1, 2017. The team continues its review and will be considering potential policy changes to address priority sectors in summer 2017-18.
  - Support the development of specialized training capacity with partners in support of priority sectors.
    - The Ministry supports delivery of specialized training at regional colleges and through apprenticeship programs under the oversight of the Saskatchewan Apprenticeship and Trade Certification Commission.

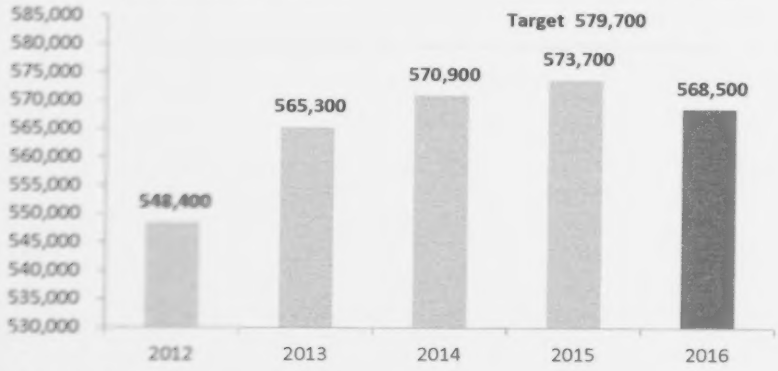
Robert was born in Croatia and worked throughout Europe for 20 years as a welder-fitter before relocating to Alberta. In 2015, he was laid off from his job while seeking to gain permanent residency. Because he was living on the Saskatchewan side of Lloydminster he decided to apply to the SINP. Robert had difficulties understanding the immigration process, as it can be complex, and sought assistance from SINP staff. SINP staff clearly instructed him on what documents were required and how to be nominated with the support of a new employer. In September 2016 his employer was approved to use the SINP, and in October Robert was nominated for permanent residency in Saskatchewan. He praises the excellent support and customer service provided by the SINP. He describes the staff as showing "admirable effort and dedication." Robert is adamant that without the dedicated assistance of the SINP staff he would not have had a successful end to his goal of becoming a permanent resident of Canada.

Performance Measures

Employment Levels in Saskatchewan

Increase employment to 579,700 in 2016, and continue progress toward 608,400 to meet the Growth Plan target of 60,000 more people working in Saskatchewan by 2020.

Employment Levels in Saskatchewan



Source: Statistics Canada, Labour Force Survey

Saskatchewan's total employment declined by 5,200 in 2016, primarily as a result of the slowdown in the oil and gas sector. Although it was a setback in terms of meeting ECON's targets, the job impact in Saskatchewan was much less severe than in Alberta, which lost 37,300 jobs. (Alberta's workforce is approximately four times larger than Saskatchewan's, but its job losses were seven times greater, showing the larger impact in that province.)

- Attract skilled workers to Saskatchewan's labour force.
  - Assist employers with navigating their options for domestic recruitment and retention of temporary and permanent foreign workers.
    - The SINP played a key role in connecting employers with workers, nominating over 2,700 immigrants with job offers in 2016.
    - In 2016, the SINP processed over 4,300 SINP job approval letters, and over 5,400 employers registered with the program to address labour needs.
  - Raise the profile of Saskatchewan among interprovincial and international job seekers.
    - The SINP continues to attract a significant number of international workers. In 2016-17, the SINP processed over 9,000 applications, resulting in 5,500 nominations.
    - The Saskatchewan.ca website's Immigrating and Moving to Saskatchewan section had 7.7 million page views in 2016-17 (one third of the website's total page views), making it the most visited section of the website. The website saw a significant increase in traffic due to the new content.
    - The Ministry established a Citizen-Centered Services transformation team to review the SaskJobs.ca website and the National Job Bank (NJB) website, with a goal of providing improved delivery of job posting services and greater usage and visibility for Saskatchewan employers on the NJB.

Simeon

In early 2014, Simeon, an international student, graduated from the University of Saskatchewan and obtained employment with the Ministry of Economy. Simeon says his managers and colleagues encouraged him and provided an atmosphere for skills development and career advancement. Over the next three years, he advanced through a number of roles and branches within the Ministry. During this period, he applied to the Saskatchewan Immigrant Nominee Program (SNIP) and successfully received his permanent residency in Canada. In his current role, Simeon provides service and support to other international skilled workers looking to immigrate to the province and to Saskatchewan employers experiencing workforce recruitment and retention issues. Simeon is an exemplary public servant and demonstrates how the Ministry fosters an atmosphere for achieving professional career and personal goals.

- Work with the federal government to increase permanent immigration to Saskatchewan by raising the SINP cap to 6,000.
  - Saskatchewan continues to successfully negotiate increases to its nomination allocation from the federal government. The federal government increased the SINP's nomination cap from 5,500 in 2016 to 5,600 in 2017, moving the province closer to its goal of 6,000 by 2020.
- Ensure the SINP remains responsive to current and projected labour and skills demand.
  - The Government of Saskatchewan is working with the federal government to ensure that provincial and federal Express Entry streams address skill and labour gaps in the province. In January 2017, Saskatchewan received an increase to its Express Entry allocation, a program category that is fast tracked by the federal government and is now able to nominate 850 applicants (allocation was 750 in 2016).
  - The SINP used the Ministry's five-year employment outlook for the attraction and selection of skilled foreign workers through two program sub-categories. The other sub-categories targeted workers with approved job offers from Saskatchewan employers.

- Engage under-represented groups.
  - Increase funding to the Employability Assistance Program for Persons with Disabilities (EAPD).
    - EAPD funding resulted in over 90 service agreements which provided over 3,000 individual supports and services.
    - Through the outcomes-based contract management process (OBCM), the Ministry is ensuring better outcomes for all clients.
    - In a recent survey, suppliers responded favorably to the Ministry's use of OBCM and indicated that clearly defined, targeted outcomes have enhanced the quality of service they provide. The suppliers are able to see more meaningful results for clients and use more creativity to implement best practices.
  - Improve access to and outcomes from investments in youth and First Nations and Métis workers.
    - Co-chaired the First Nations and Métis Graduate Employment Project mandated by the Saskatchewan Post-Secondary Technical Institute Council and held a one-day workshop on best practices.
    - A new working group was established with Employment and Social Development Canada to share program and administrative data for First Nations and Métis workers in Saskatchewan and to develop a federal pilot for a labour market survey to be administered on reserve for the next six years.
- Support implementation of the provincial disability strategy and poverty reduction strategy.
  - Saskjobs.ca was updated with a link to the National Job Bank providing employers and job seekers the ability to post and review job postings using adaptive technology. This initiative directly relates to the Disability Strategy recommendation to "improve access to information, intake and service delivery so that people are able to easily navigate and experience a seamless and coordinated system of disability programs and services".
- Retain skilled workers, including young and mid-career workers.
  - Increase use of employer-funded training and other initiatives to develop the skills of existing workers and support their career growth and productivity.
    - Through the CSJG, over $6 million was provided in funding for training opportunities. Over 700 unique employers received funding for training and more than 3,500 individuals received training. In a survey of employers who participated in the Job Grant program, 96 per cent of employers expressed satisfaction with the program and 91 per cent of employers indicated that their business productivity had improved as a result of the training.

Jennifer, a young First Nation woman from La Loche, had not completed grade 12 but was looking for a job to support herself and her daughter. Jennifer enrolled in the Ready to Work program offered by the Saskatchewan Tourism Education Council (STEC) department of Tourism Saskatchewan. In the pre-employment classroom training, Jennifer acquired transferable and technical skills specific to hospitality occupations, as well as engaged in career planning. After completing the classroom training component, Jennifer moved into the hands-on training. A workplace trainer taught Jennifer occupation-specific skills, plus mentored her on the job. The support Jennifer received grew her confidence and skills. As a result, she was placed in a resort position at Prince Albert National Park. After six months' employment, she moved to a major hotel chain in Prince Albert, where she secured housing and was able to reunite her family. She now works as an emerit-certified housekeeping room attendant and has moved into a supervisory position. **Alias has been used to protect client privacy.*

- Launch Targeted Initiatives for Older Workers (TIOW).
  - Four projects were completed under the TIOW. $95,000 in provincial funding leveraged $501,000 in federal funding to assist 59 older workers. Over half of the participants were able to find new employment upon completion of their training.
- Ensure newcomers can fully utilize their skills and work experience by investing in settlement services and Foreign Qualification Recognition (FQR).
  - The Ministry entered into a new agreement with the Division of Continuing Medical Education at the University of Saskatchewan to deliver a support program for unlicensed international medical graduates in Saskatchewan to help them achieve licensure or find meaningful and related employment in the province.
- Increase the coordination of provincial and federal investments in settlement support service to better address the needs of newcomers to Saskatchewan.
  - Participated in regular bi-lateral meetings with regional federal staff to discuss co-ordination issues.
  - Negotiated cost-shared agreements with Immigration, Refugees and Citizenship Canada (IRCC) for language training with six regional colleges.
  - Drafting settlement annex to Canada-Saskatchewan Immigration Agreement.
  - Developing the Helping Immigrants Succeed Action Plan and Pan-Canadian Language Strategy.
- Provide legal support for proceedings under *The Foreign Worker Recruitment and Immigration Services Act* (FWRISA).
  - The Ministry contracted the legal services of a third party for FWRISA proceedings.
  - At the end of 2016-17, there were approximately 300 service providers licensed under FWRISA and over 5,400 employers registered with the Province.
  - In 2016-17, the Ministry investigated 311 potential SINP policy or FWRISA violations, with 259 closed/completed. These investigation involved an estimated 491 individuals either as victims of violations or violators of policy and legislation.
  - The Ministry helped recover over $200,000 in wages for foreign workers who had received lower wages or fewer hours than their employer had committed to in their SINP job approval application or Labour Market Impact Assessment.

Ministry Goal

Ensure the ongoing competitiveness of Saskatchewan's economy.

Strategy

Remain amongst the most competitive provinces in Canada.

Key Actions and Results

- Maintain capital investment level in the $16 billion or greater range.
  - Target global resource industry investors in key markets to attract investment in the sectors of value-added agriculture, oil and gas, mining, manufacturing and forestry by leading/supporting sector development and investment attraction missions, hosting foreign delegate in-house information sessions, and supporting these efforts with targeted marketing/media relations strategies.
    - The Ministry's Senior Strategic Leads provided strategic direction for investment attraction and expansion of existing business in priority sectors of agrivalue, oil and gas, manufacturing and minerals. They brought together cross-ministry teams to provide integrated and timely assistance to current and potential investors to help them implement investment projects.
    - The Economic Development Division hosted 70 incoming missions and participated in 23 outgoing missions.
    - The Ministry works collaboratively with other ministries to support and promote investment attraction in the forestry sector. Forestry investment attraction leads have developed as a result of this work.
  - Increase investment into innovation initiatives under the Invest in Saskatchewan Program.
    - The two pool funds have until August 31, 2017, to fulfill the requirement to direct 15 per cent of investment capital raised in 2014-15 to innovation. Golden Opportunities Fund Inc. has already achieved the goal, and SaskWorks Venture Fund Inc. is on track to reach the requirement by the deadline.
  - Develop options for consideration for a redesign of the employee investment portion of the Invest in Saskatchewan Program.
    - The Ministry has decided not to proceed with this initiative at this time.

- Conduct comparisons of the resource sectors with other jurisdictions to ensure competitiveness.
  - The Ministry tracks global forest products production levels and costs to gauge competitiveness, including benchmarking data. The Ministry also tracks timber royalties from other Canadian jurisdictions to ensure Saskatchewan's royalties remain competitive.
  - The Ministry reviewed the implications of Alberta's Modernized Royalty Framework and determined that, overall, Saskatchewan's current crude oil and natural gas fiscal regimes remain competitive with Alberta.
- Assess the competitiveness of Saskatchewan's labour force, compared to competing jurisdictions, from the perspective of skills and availability of workers.
  - The Ministry regularly monitors the provincial labour force and prepares information packages and presentations for business and prospective investors on the competitiveness of Saskatchewan's labour market.
- Develop a robust method for assessing and monitoring the competitiveness of Saskatchewan's business environment.
  - The Ministry funded Saskatchewan's participation in the 2016 KPMG *Competitive Alternatives* study. The results of the study were used to identify Saskatchewan's competitive strengths and areas where the province is less competitive. Competitiveness discussions were held with the Ministry's Senior Strategic Leads and with the Ministry of Finance.
  - The Ministry contracted with the Financial Times Group for use of its fDi Benchmark tool. fDi Benchmark allows users to assess the relative competitiveness of more than 600 global locations across more than 65 industry sectors, greatly expanding the Ministry's ability to benchmark against competitors.

Performance Measures

Private Investment in Saskatchewan

Maintain capital investment in Saskatchewan at $16 billion or greater.

Capital Investment in Saskatchewan

Source: Statistics Canada, CANSIM Table 029-0045

Capital investment refers to expenditures on fixed assets including structures, machinery, and equipment. Capital investment declined from $16.9 billion in 2015 to $14.1 billion in 2016, which was below ECON's target of $16 billion. Part of the decline was due to an expected reduction in mining sector investment as several major projects were completed, but a pullback in oil and gas investment also had a significant impact on total investment. Oil and gas capital investment declined from a record high $6.7 billion in 2014 to $4.6 billion in 2016. Total capital investment remains at historically high levels, despite the decline seen in 2016.

Strategy

Maintain strong collaborative relationships with other ministries/agencies whose regulatory activities have an impact on development.

Key Actions and Results

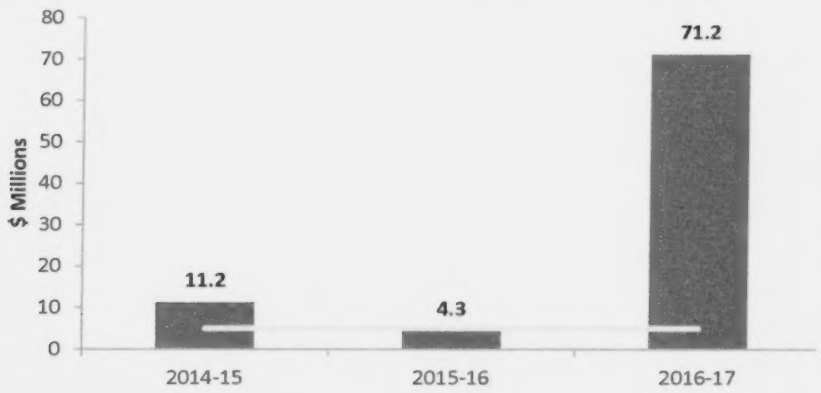
- Maintain tax competitiveness and a favorable regulatory environment to attract and retain businesses in Saskatchewan.
  - Identify and remove barriers to business and investment in Saskatchewan.
    - Continued to remove business irritants through the ongoing regulatory review process. For example, an administration policy change at the Geological Laboratory eliminated the need for industry to submit duplicate core samples. The change will save industry an estimated $16 million over 10 years and will reduce government storage costs.
- Review business regulations to reduce barriers to growth.
  - Government to review a minimum of 29 business regulations annually.
    - In 2016-17, the Red Tape Committee reviewed 15 business-related regulations to ensure they remain relevant and do not impede business competitiveness. A further 55 regulations that were no longer relevant were repealed in 2016. For various reasons, a number of the reviews approved by the Red Tape Committee in the 2016-17 work plan were deferred, but the initiative is still ahead of schedule to review all business regulations within the 10-year time frame.
- Maintain close working relationships with the Ministry of Environment and other ministries to identify and overcome hurdles in natural resource development.
  - Collectively address barriers to growth for continued mineral, oil and gas, value-added agriculture, and timber harvesting development in Saskatchewan.
    - The Ministry participated in the initiative led by the Ministry of Environment towards the development of a Saskatchewan climate change plan.
    - The Ministry has also participated in a number of climate change policy related initiatives within a federal, provincial and territorial context.
    - The federal, provincial and territorial governments launched public and government consultations during 2016 pursuant to the Pan-Canadian Framework on Clean Growth and Climate Change. The Government of Saskatchewan participated through the Ministries of Environment, Economy and Finance. The Ministry of the Economy directly participated in the discussions concerning carbon pricing arrangements.
    - The Ministry also directly participated on behalf of the Government of Saskatchewan with respect to the following three climate change regulatory initiatives launched in 2016 by the Government of Canada: Clean Fuel Standard; regulations to reduce methane emissions from the upstream oil and gas sector; and regulations to accelerate by 2030 the obligation to reduce emissions from coal-fired power plants.
    - In addition, in June 2016 the Government of Canada initiated four panels for review of federal regulatory agency processes with respect to energy infrastructure approvals, environmental assessment processes, navigable waters and fisheries. These included:
      1. The federal environmental assessment processes under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012);
      2. The National Energy Board (NEB);
      3. The *Fisheries Act;* and
      4. The *Navigation Protection Act.*
    - The Government of Saskatchewan participated in the discussions launched by these four panels, with the Ministry of the Economy directly participating in the process of the Panel Reviewing Modernization of the National Energy Board.
    - The Ministry works with the Ministry of Environment on matters related to forest management planning and ensuring a competitive regulatory regime. The Ministry also works closely with the Ministry of Highways and Infrastructure and SaskPower with respect to globally competitive infrastructure.

Performance Measures

Red Tape Cost Savings

Annual government red tape cost savings of $5 million or more.

Red Tape Cost Savings



Source: Ministry of the Economy

In 2016-17 a change was made in the way regulatory cost savings are calculated so that estimates of operating and administrative costs are now recognized, together with the direct financial costs of regulatory compliance. As a result of this broader perspective on red tape costs, estimated savings were $71.2 million, well ahead of the $5 million annual target. A new target will be established for future years based on the new methodology.

Ministry Goal

Increase trade, investment and exports through international engagement.

Strategy

Better align and coordinate the Ministry's resources among economic partners.

Key Actions and Results

- Strengthen intergovernmental and commercial relationships.
  - Identify supply chain linkages and procurement opportunities to Saskatchewan businesses, manufacturers and processors.
    - The Ministry promoted supply chain linkages and procurement opportunities to thousands of Saskatchewan businesses, manufacturers and processors in a variety of ways, including participating in and supporting:
      - the Mining Supply Chain Forum (over 1,110 attendees);
      - Supply Chain Week;
      - the Crown Procurement Committee;
      - the Third Annual Agri-value Workshop and Networking Event (over 100 attendees), and
      - the Aboriginal Business Match (1,120 one-on-one business meetings).
    - The Ministry has developed an aftercare plan for Saskatchewan-based companies which includes frequent communication and timely follow-up on inquiries and concerns. As part of the plan, the Ministry also supports key events with significant networking potential for suppliers and buyers, as well as opportunities for discussion between government and stakeholders. The Ministry was a principal organizer of the Saskatchewan Geological Open House and Saskatchewan Manufacturing Week and supported the World Mining Competition, Saskatchewan Business Opportunity Expo, and Canada's Farm Progress Show.

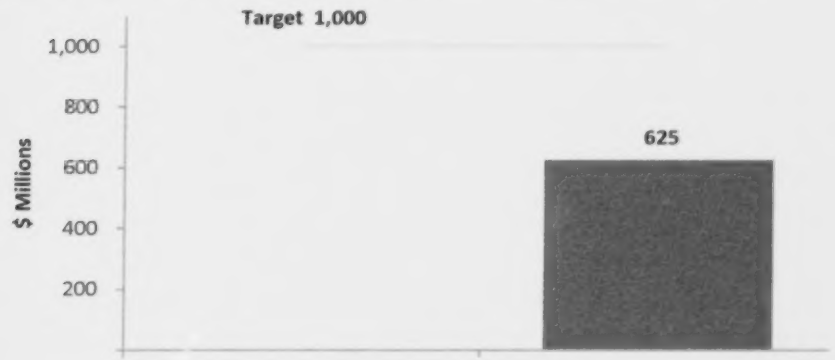
- Increase foreign direct investment in primary and value-added industries.
  - Implement a systematic approach to investment attraction through opportunity identification, lead generation/ qualification, project expediting and aftercare.
    - The Economic Development Division focused on improving results by adopting a more systematic, team-based approach to investment attraction, which is better aligned with best practices in investment attraction used around the world. Milestones on the investment continuum included:
      - 12,824 companies researched;
      - 2,604 leads generated;
      - 557 leads qualified; and
      - from these leads, 238 opportunities identified;
    - 173 of these opportunities are expected to result in an investment decision within a specific time period, ranging from less than a year for hot opportunities to five years for cold ones.
    - The remaining opportunities are longer range ones generated from focused dialogue with Indigenous and northern businesses and communities. In many cases, these communities are sharing their opportunities and goals for the first time. As such, building relationships, trust and common understanding of next steps are milestones yet to be achieved.
    - The Ministry supported 18 investments worth $625M in sectors such as value-added agriculture, manufacturing, mining and energy.

Performance Measures

Investment in Saskatchewan

Investment/reinvestment "wins" in the amount of $1 billion each year.

Investment in Saskatchewan



Source: Ministry of the Economy

A "win" is a confirmed investment by a company from outside Saskatchewan into the province or a reinvestment from a company inside Saskatchewan, and where the Ministry efforts supported an investment decision and the company acknowledges it. A "win" could take the form of establishing a business in Saskatchewan, a joint venture or partnership with an existing business, a merger/acquisition of an existing business, research agreements, or making investment into a company.

The Ministry played a significant role in attracting major investments in upstream oil and gas, defence procurement, and the manufacturing and agri-food industries.

Strategy

Build the Saskatchewan brand around the world.

Key Actions

- Increase outreach through missions and promotions.
  - Increase promotion of investment opportunities in Saskatchewan in key markets around the world.
    - Ministry staff met with qualified leads, site selectors and other potential investors to promote investment opportunities at several key events including: the Institute of Food Technologists (IFT) Expo and Conference; Health Ingredients Europe; Natural Products Expo West; CANSEC Global Defense and Security Tradeshow; the Association of Manufacturing Excellence; CIM 2016; Alberta and Saskatchewan Renewable Energy Finance Summit; and the Global Petroleum Show. Staff also participated in events organized by Global Affairs Canada (GAC), such as the GAC 2016 Japan Investment Roadshow Mission and the GAC Investment Forum Korea.
    - Staff promoted investment opportunities at business-to-business meetings and followed up with qualified leads in priority markets in conjunction with key events and missions.
  - Lead investment attraction missions and host incoming missions for companies to explore investment opportunities.
    - The Economic Development Division hosted 70 incoming missions and participated in 23 outgoing missions. Markets visited included: Canada (10 missions); the United States (four missions); Japan/Korea (3 missions), Europe (3 missions), ASEAN and the United Arab Emirates (1 mission each).
  - Continue to target investors in priority sectors through national and international marketing in alignment with strategic sector business plans.
    - The Ministry continued its ThinkSask international investment campaign, focusing on on-line and social media marketing targeted by sector and geographic area. From May to December 2016, on-line advertising achieved almost 24 million impressions and drove 50,263 visits to ThinkSask.ca. The Ministry also launched an Invest in Saskatchewan LinkedIn page which achieved 42,496 views during that period. LinkedIn inmails reached 50,186 investors, and Post Media articles on priority sectors achieved 41,067 page views and 70,728 content clicks.
- Develop existing and new trade markets.
  - Increase promotion of trade/export opportunities in Saskatchewan in existing and new markets.
    - STEP developed 11 export plans for companies under its Export Readiness Program and organized 29 export education seminars involving 851 Saskatchewan exporters and international buyers.
    - STEP generated 4,777 qualified trade leads in 2016-17 and completed 312 market intelligence reports on behalf of Saskatchewan exporters.
    - The export sales generated amounted to almost $94 million as a result of involvement in a STEP trade activity.
    - STEP delivered 47 outgoing trade missions, taking 221 members to priority markets. Markets visited included the United States (15 missions), Canada (11 missions), Asia (10 missions), Europe (six missions), Central/South America (two missions), Australia, Africa and the Middle East.
  - Encourage, initiate and support incoming missions from companies in new or emerging markets.
    - STEP organized 25 incoming buyer initiatives which involved 184 members.

Performance Measures

Value of Saskatchewan Exports

Maintain exports of $32.6 billion in 2016-17 and continue progress toward the Growth Plan target of doubling exports to $60 billion by 2020.

Value of Exports

Source: Industry Canada, Trade Data On-line

The value of Saskatchewan's exports declined by 19.0% in 2016, falling from $32.7 billion in 2015 to $26.5 billion. The most significant factor in the decline was low commodity prices. In volume terms, as opposed to value, Saskatchewan's export performance remained relatively strong.

Ministry Goal

Organizational excellence.

Strategy

Implement continuous improvements to achieve organizational excellence.

Key Actions and Results

- Improve financial reporting and accountability.
  - Continue review in areas of risk management and internal audit and implement recommendations as approved.
    - A two-year internal audit plan was approved by the Internal Audit Committee on February 23, 2017. During the fiscal year 2016-17, the Ministry revised its Internal Audit Charter and Internal Audit Committee Terms of Reference to more accurately reflect composition, roles, responsibilities and accountabilities relating to internal audit. The Deputy Minister approved these documents on March 8, 2017.
    - During the 2016-17 fiscal year, the Ministry undertook internal audits and reviews on the Oil and Gas Well Levy, contract expenditures, delegated financial signing authority, Mineral Rights Tax program, purchase card expenditures, as well as purchase card travel card and expenditures.
  - Develop an innovative and efficient mechanism for provision of tax information to clients.
    - The Invest in Saskatchewan program has worked with the pool funds and their service provider to enable the service provider to deliver the tax credits for the 2016 tax year. For the 2017 tax year, plans are in place for the service provider to issue the approximately 25,000 tax credits electronically. This will reduce costs, as well as provide more timely delivery of tax credits to individual investors.

- Review manual invoicing methods for conversion to automated processes.
  - The Ministry reviewed manual invoicing in 2016-17 to further automate this function. As a result over 2,038 invoices were automated. The three types of manual invoicing that were automated were the Oil and Gas Well Levy, Mineral Rights Tax and Orphan Fund Levy invoices.
- Establish Information Exchange Agreements with the Canada Revenue Agency and other ministries to enhance financial accountability for non-renewable resource companies.
  - Completed draft information exchange agreements with the Canada Revenue Agency and Ministry of Finance and have entered discussions to finalize these agreements.
- Reduce the Ministry's footprint as per government guidelines by March 2020.
  - The Ministry has worked to reduce its footprint density to achieve the Treasury Board directive of 18.6 square metres per full-time-equivalent (FTE) position by transferring locations. Current consolidating moves in both Saskatoon and Regina are expected to significantly reduce the Ministry's footprint further in 2016, 2017 and 2018 beyond the 1,000 square metres reduced in previous years.
- Determine the space needs and plan for the Geological Lab in order to meet the demand of regulatory requirements for core sample storage.
  - Internal regulation and space reviews determined that a Core Lab expansion in the near future will not be required.

- Ensure the Ministry's systems are up-to-date with the required information technology infrastructure to enhance service to citizens and clients.
  - Develop and implement a multi-year strategic plan for effective and efficient IT service delivery related to enhanced service delivery to clients.
    - The Ministry's IT Strategic Plan established a governance structure to manage the IT strategy and investment decisions that will be based on approved standards and with an eye to securing best value.
    - Reporting to the Deputy Minister and Executive Management Committee, the Information Technology Management Committee (ITMC) will:
      - develop mechanisms and systems for the sharing of data and information in an open and secure manner both internally and with external clients/partners;
      - pursue initiatives that focus on providing the best client service possible; and
      - pursue a continual technology renewal based on assessments of risk and Ministry priorities.
    - Reporting to the ITMC the Information Management Operations Committee will:
      - address day-to-day operational issues not addressed through regular processes.
      - ensure that ECON IT policies, standards and procedures are developed, implemented and adhered to.
  - Implement enterprise solutions for client relations management within the Ministry.
    - During the 2016-17 Fiscal year, steps were taken to upgrade Client Relationship Management tool. The Ministry was able to leverage new functionality which increased usability, and improved user experience.
- Continue with the multi-year plan of continuous improvement to ensure efficient and effective delivery of IRIS and Petrinex.
  - IRIS is a complex undertaking from a maintenance and enhancement perspective and supports a sizeable portion of the Ministry's business operations. Enhancements requested by Ministry and industry aim to add value to IRIS, increase usability, and improve user experience. Based on recommendation from the Ministry of Central Services Portfolio Management Office, the enhancements (a group of related projects) will be managed in a coordinated way to obtain benefits not available from managing the projects individually.
  - The 2016-17 changes affect all aspects of IRIS and affect multiple divisions across the Ministry.

- Enhancements involved other ministries including: Ministries of Finance, Environment and Agriculture.
- Other enhancements resulted in the consolidation of systems and the decommissioning of legacy applications (GOS IT Service Renewal Project). This helps in reducing the government's digital footprint and move closer towards a single window approach for industry to do business.
- Implement priority enhancements to the information for IRIS and Petrinex.
  - During 2016-17, 689 enhancements and two business initiatives were introduced to IRIS through five releases.
  - The two business initiatives introducing new functionality into IRIS in October 2016 were:
    - Non-compliance penalty assessment initiative: the non-compliance penalty assessment program for unfulfilled well data submission obligations was automated through IRIS.
    - Mineral Ownership Spatial Records – Phase 2: this technical initiative is the second step to providing the ability to complete land checks through IRIS.

- Ensure knowledge transfer within the Ministry.
  - Continue to increase knowledge and capacity related to budget development, forecasting and reporting and implement changes to the planning, budgeting and reporting processes.
  - The Ministry held training sessions to improve forecasting and improved reporting to senior management. The Ministry revised templates for reporting consistency on budget submissions improving alignment with the needs of Treasury Board.
  - Launch a renewed intranet structure to provide better information sharing and collaboration supporting client services.
    - The Ministry launched EconCentral in spring 2016. EconCentral is an employee portal where individuals find ministry news and events. As well, the portal serves as common repository for forms, templates, guidelines, policies, training etc. EconCentral is designed to meet the changing needs of the Ministry.
  - Transition knowledge for the support of IRIS to a long-term service provider.
    - In November 2016, through the Government of Saskatchewan's Procurement Process, Solvera Solutions was chosen to provide Managed Application and Infrastructure Services for IRIS. These services include: support coordination, application operation support; application maintenance services; application development services and managed infrastructure services.
- Include the voice of the client/customer in program development.
  - The Petroleum and Natural Gas Division's Client Support branch conducted a survey with clients that use the Well and Facility Infrastructure functionality in IRIS in summer 2016.
    - 58.3 per cent of respondents rated their overall experience using IRIS as either 'positive' or 'somewhat positive.'
    - 59.4 per cent of respondents ranked ECON's service to the oil and gas industry as either 'excellent' or 'good'.

Performance Measures

Ministry's footprint measure as comparable to the government guidelines

Continue progress towards reducing the Ministry's footprint to 18.6 metres per full-time equivalent by 2020.

- The Ministry continues to reduce its office footprint from 24.5 metres per FTE with a target to reduce it to 18.6 metres per FTE by 2020.

Overall client satisfaction

- As of 2016-17, the Ministry has service standards in place for 94 per cent of its client-facing services.

2016-17 Financial Overview

Ministry of the Economy
2016-17 Budget vs. Actual Expense Variance Report by Subvote and Subprogram

The Ministry's actual expenditures for 2016-17 were $245.4 million which was $14.3 million under the original budgeted appropriation of $259.7 million. The variance is a result of expenditure restraint measures, vacancy management, program contract deferrals and program underutilization.

Economy collects revenue on behalf of the government from the production and sale of Saskatchewan's energy and mineral resources, the sale of Crown mineral rights, Federal-Provincial cost sharing labour market programs, and other associated taxes, services and fees. All revenue collected is deposited in the General Revenue Fund. In 2016-17, the Ministry recorded revenues of $1.1 billion, which was $146.1 million under the budget of $1.2 billion. The variance is mainly attributed to decreased Potash resource revenue.

The Ministry's 2016-17 FTE budget was 571.9. The actual FTE utilization for the year was 573.7 FTEs, of which 49.0 FTEs were for students. The remaining under-utilization of 47.2 FTEs was primarily related to expenditure restraint adjustments for vacancies, staff overturn, and retirements.

Summary of Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram, as per the structure for the Ministry of the Economy. Variance explanations are provided for individual variances that are greater than $100,000. The Ministry has a Full Time Equivalent (FTE) staff complement of 571.9 FTEs in 2016-17.

In thousands of dollars

Subvote/Subprogram	Actual Expenditures 2015-16	Estimate 2016-17	Actual Expenditures	Variance Over/(Under)	
EC01 Central Management and Services					
Minister's Salary (Statutory)	96	98	100	2	
Executive Management	1,124	1,467	1,080	(387)	1
Central Services	23,831	22,369	19,813	(2,556)	1
Accommodation Services	10,533	9,640	9,595	(45)	
Surface Rights Arbitration Board	139	172	139	(33)	
EC01 Central Management and Services Total	**35,723**	**33,746**	**30,726**	**(3,019)**	
EC06 Minerals, Lands and Resource Policy					
Mineral and Energy Policy	1,921	3,447	2,463	(984)	1
Lands and Mineral Tenure	1,446	2,581	2,102	(479)	1
Saskatchewan Geological Survey	4,361	5,143	4,458	(685)	1
Forestry Development	552	871	677	(194)	1
Remediation of Contaminated Sites	2,724	14,030	14,030	-	
EC06 Minerals, Lands and Resource Policy Total	**11,004**	**26,072**	**23,730**	**(2,342)**	
EC05 Petroleum and Natural Gas Total	**12,438**	**11,466**	**10,981**	**(485)**	**1**

EC04 Revenue and Corporate Services					
Operational Support	4,339	4,469	10,421	5,952	2
Small Business Loans Association - Loan Loss Provision	(500)	-	284	284	3
Renewable Diesel Program	2,055	-	-	-	
Northern Development Fund Grant Program	354	-	-	-	
EC04 Revenue and Corporate Services Total	**6,248**	**4,469**	**10,705**	**6,236**	
EC12 Economic Development					
Operational Support	7,338	8,079	6,426	(1,653)	1
Saskatchewan and Trade Export Partnership	3,325	3,318	3,318	-	
EC12 Economic Development Total	10,663	11,397	9,744	(1,653)	
EC14 Tourism Saskatchewan Total	14,532	-	-	-	
EC13 Labour Market Development					
Operational Support	15,329	17,908	15,519	(2,389)	1
Work Readiness - Youth and Adult Skills Training	19,127	19,525	19,665	140	4
Work Readiness - Adult Basic Education	24,819	26,236	24,981	(1,255)	5
Work Readiness - Employment Development	21,511	22,844	20,526	(2,318)	6
Canada-Saskatchewan Job Grant	4,471	6,393	6,581	188	7
Apprenticeship and Trade Certification Commission	23,226	22,226	22,226	-	
Employability Assistance for People with Disabilities	11,187	11,079	8,670	(2,409)	5
Provincial Training Allowance (PTA)	29,948	31,017	28,583	(2,434)	5
Skills Training Benefits (STB)	6,428	2,425	1,775	(650)	5
Apprenticeship Training Allowance (ATA)	3,276	2,745	2,959	214	7
EC13 Labour Market Development Total	**165,467**	**170,341**	**157,769**	**(12,572)**	
EC20 Performance and Strategic Initiatives	**991**	**2,181**	**1,762**	**(419)**	**1**
Total Appropriation	**257,066**	**259,672**	**245,418**	**(14,254)**	
Remediation of Contaminated Sites	(2,724)	(14,030)	(14,030)	-	
Capital Asset Acquisition	(3,485)	-	(243)	(243)	8
Capital Asset Amortization	5,261	3,251	3,084	(167)	9
Total Expense	**256,118**	**248,893**	**234,228**	**(14,664)**	

Variance Explanations (Amounts greater than $100 thousand):

1 General operating savings, vacancy management and expenditure restraint measures.
2 Increase due to an allowance for doubtful accounts expense for oil and gas receivables.
3 Increase in estimated loan loss provision.
4 Reprofiling of previous years spending on the Older Worker Program.
5 General program underutilization and expenditure restraint measures.
6 Program contract deferrals and expenditure restraint measures.
7 Higher than anticipated program utilization.
8 Capital asset pressuers due to Petroleum and Natural Gas field office gas monitor purchases and a space saving filing system purchase.
9 Decrease due to disposal of capital assets.

Summary of Revenues

The Ministry of the Economy (ECON) collects revenue on behalf of the government from the production and sale of Saskatchewan's energy and mineral resources, the sale of Crown mineral rights, Federal-Provincial cost sharing labour market programs, and other associated taxes, services and fees.

All revenue collected is deposited in the General Revenue Fund. A summary of ECON's 2016-17 budgeted revenue compared to actual revenue is presented below. Variance explanations are provided for all variances that are greater than $3.0 million (M).

ECON's actual revenue for 2016-17 was $1.077 billion, a decrease of $146.1M below the 2016-17 budget estimates.

Summary of Revenue (In thousands of Dollars) Revenue Category	2016-17 Budget	2016-17 Actual	Variance Over/(Under)	
Non-Renewable Resource Revenue				
Oil	509,700	563,520	53,820	1
Crown Land Sales	36,000	50,133	14,133	2
Natural Gas	9,500	7,922	(1,578)	
Potash	420,400	241,033	(179,367)	3
Uranium	140,291	100,937	(39,354)	4
Other Minerals	29,309	32,906	3,597	5
Total Non-Renewable Resources	**1,145,200**	**996,451**	**(148,749)**	
Transfers From The Federal Government				
Federal-Provincial Cost Sharing Programs	17,366	17,393	27	
Labour Market Development Agreement	40,218	40,218	0	
Other Revenue	6,737	6,899	162	
Total Transfers From The Federal Government	**64,321**	**64,510**	**189**	
Other Own-Source Revenue				
Mineral Rights Tax	8,500	9,748	1,248	
Sales, Services and Service Fees	1,472	2,271	799	
Other Miscellaneous Revenue	3,573	4,007	434	
Total Other Own-Source Revenue	**13,545**	**16,026**	**2,481**	
Total Revenue Ministry of the Economy	**1,223,066**	**1,076,987**	**(146,079)**	

Explanations of Major Variances:

1 Increased oil revenue of $53.8M was due to a 7.3M bbls above forecast, a $3.06 US/bbl increase in the West Texas Intermediate (WTI) price, and a decrease of 0.2 in the light-heavy differential percentage.

2 Increased bonus bid revenue of $14.1M was a result of the windfall of October and December land sales that each generated $11M and $8M respectively; more than the original 6-sale average forecast of $6M per sale.

3 Decreased potash revenue of $179.4M was due to lower potash list prices, partially offset by decreased capital deductions.

4 Decreased uranium revenue of $39.4M was caused by lower sales volumes, lower realized sales prices, and increased capital bank deductions.

5 Increased Other Minerals revenue primarily attributed to an increase in coal revenue due to increased prices and increased royalty/tax average rate, offset by decreased volumes.

For More Information

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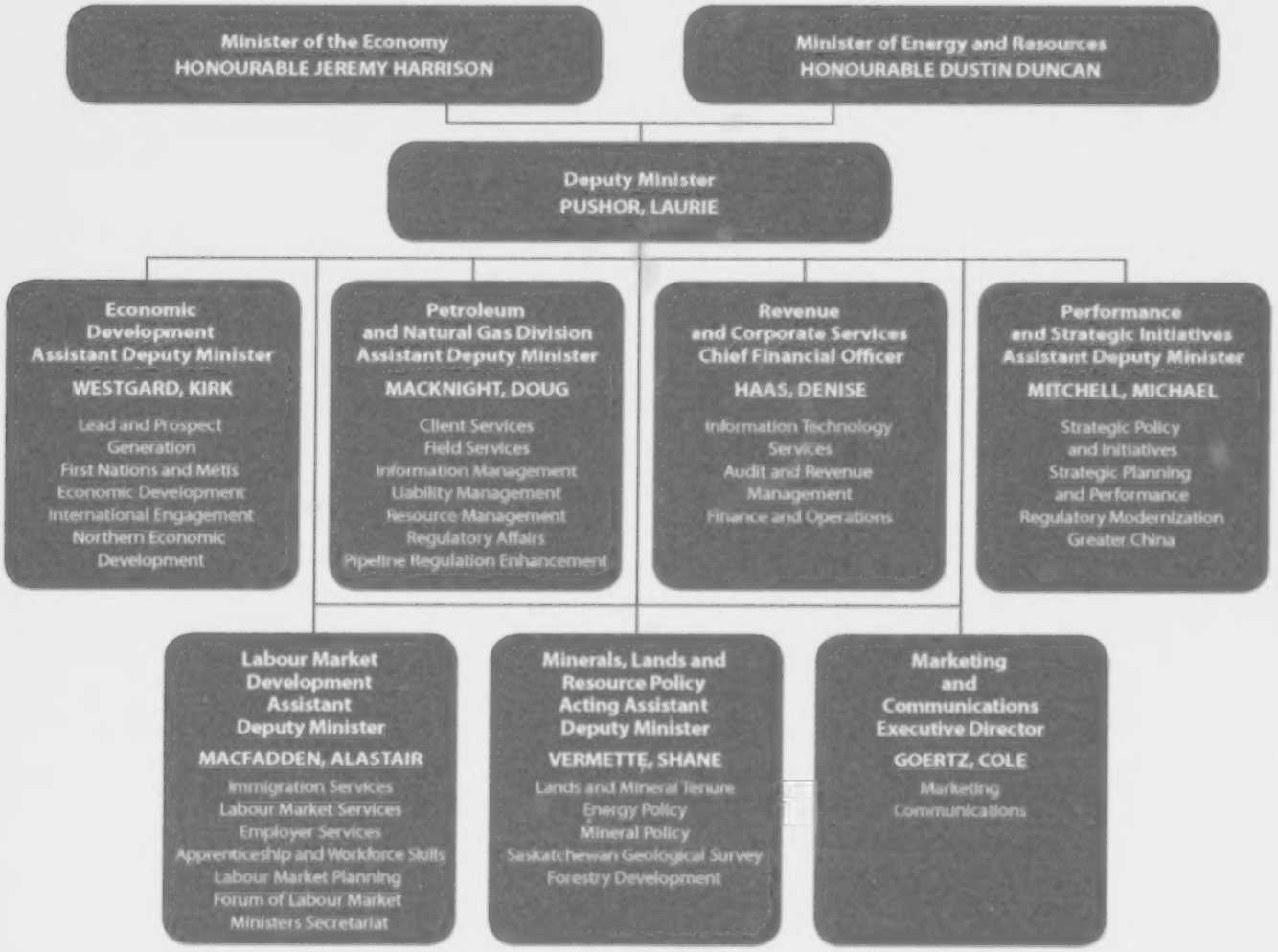
Appendix A

Internal Organization Chart as of March 31, 2017



Appendix B

Legislative Responsibilities (2016-17)

The Ministry derives its mandate, responsibilities and authority from a number of Acts and Regulations under those Acts. Acts currently assigned to the Minister of the Economy are:

THE AGRICULTURE ADMINISTRATION ACT Only with respect to: Sections 7 and 7.1 which are jointly assigned to the Minister of the Economy and the Minister of Agriculture
THE APPRENTICESHIP AND TRADE CERTIFICATION ACT, 1999
The Apprenticeship and Trade Certification Commission Regulations, 2003
THE CULTURE AND RECREATION ACT, 1993 • Jointly assigned to the Minister of the Economy, the Minister of Parks, Culture and Sport, the Minister Responsible for the Provincial Capital Commission and the Minister Responsible for Tourism Saskatchewan
THE ECONOMIC AND CO-OPERATIVE DEVELOPMENT ACT • Except clause 8(a) which is jointly assigned to the Minister of the Economy, the Minister of Energy and Resources, the Minister of Agriculture, the Minister of Parks, Culture and Sport and the Minister Responsible for Tourism Saskatchewan • Except clause 8(b) which is jointly assigned to the Minister of the Economy, the Minister of Agriculture and the Minister of Parks, Culture and Sport • Except clauses 8(c) and 9(1)(h) and subsection 9(3) which are assigned to the Minister of Central Services • Except clause 9(1)(d) which is jointly assigned to the Minister of the Economy and the Minister of Agriculture except clause 9(1)(e) which is jointly assigned to the Minister of the Economy and the Minister of Parks, Culture and Sport
The Northern Economic Development Regulations
The Small Business Loans Association Program Regulations
THE EDUCATION ACT, 1995 • Only with respect to Subsection 3(1) which is jointly assigned to the Minister of Advanced Education, the Minister of Education, and the Minister of the Economy
THE ENTERPRISE SASKATCHEWAN ACT
The Enterprise Saskatchewan Regulations
THE ETHANOL FUEL ACT
The Ethanol Fuel (General) Regulations
THE FOREIGN WORKER RECRUITMENT AND IMMIGRATION SERVICES ACT
The Foreign Worker Recruitment and Immigration Services Regulations
THE GOVERNMENT RELATIONS ADMINISTRATION ACT • Only with respect to subsection 3(2), which is jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs • Only with respect to clause 3 (1)(e) which is jointly assigned to the Minister of the Economy and the Minister of Government Relations
THE GLOBAL TRANSPORTATION HUB AUTHORITY ACT
THE HUMAN RESOURCES, LABOUR AND EMPLOYMENT ACT • Only with respect to subsection 4(2) and section 4.01
THE INDIAN AND NATIVE AFFAIRS ACT • Only with respect to Clause 7(b) which is jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs
THE INNOVATION SASKATCHEWAN ACT • Jointly assigned to the Minister of the Economy and the Minister Responsible for Innovation
THE LABOUR-SPONSORED VENTURE CAPITAL CORPORATIONS ACT
The Labour-sponsored Venture Capital Corporations Regulations
THE MULTICULTURALISM ACT • Only with respect to clauses 4(g) and (h) which are jointly assigned to the Minister of the Economy and the Minister of Parks, Culture and Sport

THE NATURAL RESOURCES ACT Only with respect to: • *The Commercial Fishing Production Incentive Regulations;* and • Clauses 4(1)(g) and 23(b) to (d) as those provisions relate to *The Commercial Fishing Production Incentive Regulations*
THE NORTHERN SASKATCHEWAN ECONOMIC DEVELOPMENT ACT
THE POST-SECONDARY EDUCATION AND SKILLS TRAINING ACT • Jointly assigned to the Minister of the Economy and the Minister of Advanced Education, except section 5, clauses 15(2)(a), (c), (d), (e), (i) and (j) and section 17 which are jointly assigned to the Minister of the Economy, the Minister of Advanced Education, and the Minister of Education • Except *The Training Program Regulations* which are jointly assigned to the Minister of the Economy and the Minister of Education, but with respect to the Minister of Education, only as these regulations relate to the literacy programs
The Training Programs Regulations
THE REGULATORY MODERNIZATION AND ACCOUNTABILITY ACT
The Regulatory Modernization and Accountability Regulations
THE RENEWABLE DIESEL ACT
The Renewable Diesel Regulations
THE RESEARCH COUNCIL ACT
THE SASKATCHEWAN HEALTH RESEARCH FOUNDATION ACT • Jointly assigned to the Minister of the Economy and the Minister Responsible for Innovation
THE TOURISM SASKATCHEWAN ACT • Jointly assigned to the Minister of the Economy and the Minister Responsible for Tourism Saskatchewan
REGULATIONS UNDER THE EXECUTIVE GOVERNMENT ADMINISTRATION ACT *[FORMERLY THE GOVERNMENT ADMINISTRATION ACT]*
The Employment Program Regulations • Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Skills Training Benefit Regulations • Jointly assigned to the Minister of Advanced Education and the Minister of the Economy
The Training Allowance Regulations • Jointly assigned to the Minister of Advanced Education and the Minister of the Economy

Acts currently assigned to the Minister of Energy and Resources are:

THE CROWN MINERALS ACT
The Alkali Mining Regulations
The Bayhurst Viking Voluntary Gas Unit Regulations
The Coal Disposition Regulations, 1988
The Crown Mineral Royalty Regulations
The Crown Oil and Gas Royalty Regulations, 2012
The Delayed Payment Charge Regulations, 1970
The Mineral Tenure Registry Regulations
The Mineral Trust Revestiture Regulations
The Quarrying Regulations, 1957
Saskatchewan Regulation 270/69 – General Regulations (Tailings Disposal Area)
The Subsurface Mineral Regulations, 1960
The Subsurface Mineral Tenure Regulations
The Totnes Viking Gas Storage Royalty Regulations
The Economic and co-operative Development Act • *Only with respect to clause 8(a) which is jointly assigned to the Minister of Energy and Resources, The Minister of the Economy, the Minister of Agriculture, the Minister of Parks, Culture and Sport and the Minister Responsible for Tourism Saskatchewan*
THE ENERGY AND MINES ACT
The Mineral Exploration Incentive Regulations
The FINANCIAL ADMINISTRATION Act, 1993 *Only with respect to:* • *The Petroleum Research Incentive Regulations; and* • *Section 24 which is jointly assigned to the Minister of Energy and Resources and the Minister of Finance as it relates to The Petroleum Research Incentive Regulations*
The Petroleum Research Incentive Regulations
THE FOREST RESOURCES MANAGEMENT ACT • *Only with respect to sections 5, 6 and 7 which are jointly assigned to the Minister of Energy and Resources and the Minister of Environment*
THE FREEHOLD OIL AND GAS PRODUCTION TAX ACT, 2010
The Freehold Oil and Gas Production Tax Regulations, 2012
The Recovered Crude Oil Tax Regulations, 2012
The Totnes Viking Gas Storage Freehold Production Tax Regulations
The Weyburn Unit CO2 Freehold Oil Production Tax Regulations
THE MINERAL RESOURCES ACT, 1985
The Mineral Exploration Tax Credit Regulations, 2014
The Seismic Exploration Regulations, 1999
The Subsurface Mineral Conservation Regulations
THE MINERAL TAXATION ACT, 1983
The Freehold Coal Production Tax Regulations
The Mineral Rights Tax Regulations, 1998
The Potash Production Tax Regulations
The Sodium Chloride Production Tax Regulations
THE OIL AND GAS CONSERVATION ACT
The Oil and Gas Conservation Regulations, 2012
The Petroleum Registry and Electronic Documents Regulations
THE PIPELINES ACT, 1998
The Pipelines Regulations, 2000
THE RECLAIMED INDUSTRIAL SITES ACT
The Reclaimed Industrial Sites Regulations
THE SURFACE RIGHTS ACQUISITION AND COMPENSATION ACT
• *The Surface Rights Acquisition and Compensation Regulations*